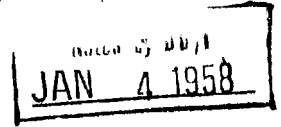


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INDUSTRIAL GROWTH IN THE SOVIET UNION

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A paper to be delivered at the  
meetings of The American Economic  
Association, December 29, 1957.  
Not for release until that date.

*Which End of the Telescope?*

CPYRGHT

A revision in the estimates of the rate of Soviet economic growth seems to be under way in both Washington and a number of the civilian research centers. This is a matter of more than abstract importance: American foreign policy is based, to a considerable degree, on the estimates of Soviet military and economic power.

In the past, Soviet economic man has been painted ten feet high. There have, of course, been fractional differences of opinion among the government and academic statisticians, but there has been general agreement on the broad dimensions of Soviet economic power.

This agreement no longer prevails. At the convention of the American Economics Association during the Christmas holidays, Professor Warren Nutter of the University of Virginia announced that the rate of Soviet economic growth was below that of the United States. This view will get a friendly reception from professional economists if for no other reason than that Dr. Nutter's inquiries are being sponsored by the respected and wealthy National Bureau of Economic Research.

There is, accordingly, some prospect that the gross errors of estimate that have been tolerated over the past two decades may be corrected in the years to come. This will create quite a flutter in Washington's bureaucratic hutches—especially in the Central Intelligence Agency, which has a very large number of citizens working on this problem who have come to conclusions altogether different from Dr. Nutter's. Some rabbits, particularly those who have provided CIA Director Allen W. Dulles with the materials that have led to some of his more egregious propaganda errors, will have to seek shelter elsewhere. Mr. Richard Bissell, who forehandedly retired from ECA to CIA after the 1952 election returns came in, may be one of these.

NATIONAL REVIEW, which has always taken a jaundiced view of the Gargantuan theory of the Soviet economy, applauds this evidence of scientific progress. For one of our early issues we managed to obtain an estimate of Soviet economic capability that was within the bounds of reason. ("Can Moscow Deliver?" by Pyrrho, Jan. 11, 1956.) This might be a good moment for the American periodical press to re-examine its performance on this question, and perhaps to correct the impressions that it has so assiduously propagated for twenty years.

CPYRGHT

For starkest contrast, we remind the Nation that on the same date that we printed Pyrrho's article it published a piece by Mr. Peter Wiles claiming that Soviet growth was at a rate that would soon assure a higher Gross National Product than that of the United States. Professor Nutter has now called for an end to this professional nonsense—which is once more repeated by Mr. Calvin Hoover in the January 1957 issue of *Foreign Affairs*.

We do not profess to know the precise dimensions of the Soviet economy. We do know that the Soviet subjects are not eating very well; that their diet is even more a matter of bread, potatoes and cabbage than it was in 1912; that their per capita living space is less than half of the 1912 standard; that the shoddy products they are turning out are of a kind in which they can have no pride. Quite apart from lost religious and cultural values, all the sacrifices to "the Soviet experiment" have brought only desperate material privation.

Although the Hungarians and the Poles have been most conspicuous in recent opposition, it is the peoples of the Soviet Union proper who have the oldest record of opposition to the Bolshevik regime, and who are the strongest potential allies of the free world against the Kremlin masters. A large part of this opposition to Communism springs from the knowledge of its failure, in the plainest economic sense, to provide the indispensable requirements for human survival.

NATIONAL REVIEW welcomes the new sophistication of the economics profession. We expect, in the near future, to publish a new assessment of the Soviet economic outlook: one that will take into due account the deepening agricultural crisis, the severe manpower shortage, and the transportation and energy bottlenecks that are ravaging the Soviet economy.